

**Cabinet approves the protocol amending the Agreement between India and Kyrgyz for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income**

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The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has given its approval for the protocol amending the Agreement between India and Kyrgyz Republic for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income.

The Protocol amending Double Taxation Avoidance Agreement (DTAA) aims to update Article 26 (Exchange of Information) of the DTAA to international standards. The updated Article provides for exchange of information to the widest possible extent. The new paragraphs 4 and 5 being inserted into the existing Article 26 of the DTAA provide that the State from which information is requested cannot deny information on the ground that it has no domestic tax interest in that information or that the information requested is held by a bank or a financial institution, etc. The Protocol further empowers India to use information received under the DTAA to be used for other law enforcement purposes on the supplying State authorizing such use.

### **Background:**

The existing DTAA between India and Kyrgyz Republic was notified on 7/02/2001 and the same was in force since 10/01/2001. A Protocol amending DTAA between India and Kyrgyz Republic for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income has been agreed to be signed between the two countries.

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